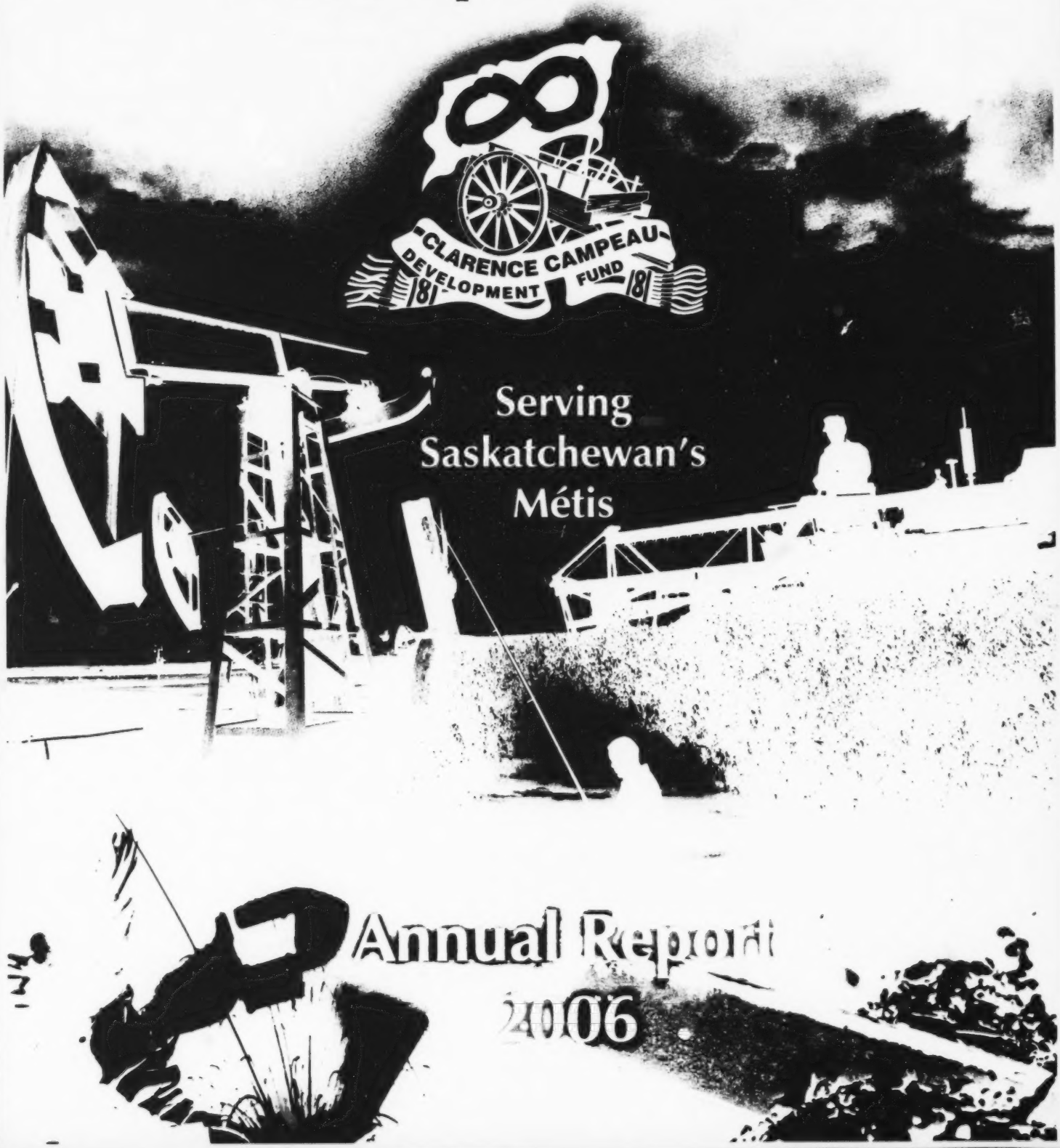
Clarence Campeau Development Fund



Annual Report 2006

Co-chairman's Message

The Clarence Campeau Development Fund (CCDF) continues to provide opportunities for the Métis people of Saskatchewan to participate in the development of individual and community based business throughout the province. In 2006 the Fund continued its outstanding growth trend.

The Fund's success over the years has been recognized in Saskatchewan. In 2006, the Fund entered into a service agreement with the Department of First Nations & Métis Relations to provide grants to Métis entrepreneurs and communities establishing businesses in the key strategic growth sectors of the province. These sectors were identified as Energy, Mining, Forestry, Value-added Agriculture, Manufacturing, and Aboriginal themed tourism. The Fund is also working closely with other organizations who are delivering funding to Métis business including CIC and Westcap Mgt Ltd. the Fund Manager for the First Nations and Métis Fund.

CCDF, through contact with clients, community leaders and stakeholders continues to design its programs and services to be responsive to the needs of the Métis community. CCDF staff is available to provide qualified professional assistance to new and existing clients throughout the entire province in the form of funding for business planning, management and marketing skills training, aftercare and project financing.

CCDF will continue to interface with other groups, associations and agencies supporting Métis business development. This will continue to be accomplished at the community level by interfacing with REDA's, Community Futures offices, Provincial government departments, Aboriginal Business Canada, and Métis Regional Offices.

The Fund is now recognized as a leader in promoting and representing the interests of Métis economic development in the province. During the year the Fund participated with The Province of Saskatchewan and the Federation of Saskatchewan Indian Nations in designing, planning and sponsoring a National Symposium on best practices in First Nations, Métis and Inuit economic development. This "Excellence in Action" symposium will be held in January, 2007.

CCDF will continue to support its Métis clients, entrepreneurs and communities. We will also continue to help improve the economic circumstances of the Métis Community as identified in our mission statement. Our efforts to increase Métis participation in the economy of the province are undertaken with a constant recognition to our proud Métis history and cultural past.

Ron Rivard

Fund Manager's Message

2006 proved to be another year of exceptional growth for the Clarence Campeau Development Fund. During the year CCDF approved 103 business proposals for 2.9 million dollars. The result was the creation of 150 direct jobs and the leveraging of 8.6 million dollars in other financing to these projects. This support provides major spin off benefits in the form of indirect jobs, cash flow into the economy and the development of infrastructure in our communities. Métis entrepreneurs demonstrated their faith and commitment to these projects by investing over 1 million dollars of their own capital. The Fund has now supported Métis business development in over 100 different communities across the province. It has invested over 16 million dollars and leveraged another 44 million dollars into the Saskatchewan economy.

During the past year the Fund delivered the Saskatchewan First Nations and Métis Economic Development Program to Métis entrepreneurs in the province. This program invested in excess of $400,000 in equity to Métis business in a number of key sectors. It is expected this program will continue in 2007.

The Fund also worked with the Crown Investment Corporation as a resource in establishing the First Nations and Métis Fund that is intended to deliver $20,000,000 in venture capital to Métis and First Nations businesses over the next 4 years. This program will support larger business ventures through investment of between one and three million dollars.

As this is written CCDF is partnering with the province and FSIN in organizing a National Aboriginal Economic Development Symposium that is expected to attract over 700 participants from across Canada to discuss best practices in First Nations, Métis and Inuit economic development. CCDF is proud to be representing the interests of Métis business in this very important event.

Once again I would like to thank the board for their sound judgment and support over the past year. I would also like to acknowledge the exceptional work of the staff who have made this past year such a success. In July of 2007 CCDF will celebrate 10 years of successful service to the Métis business community in the province. With the continued support of the province and the Métis Nation the future looks bright.

Roland Duplessis

The Fund

The Clarence Campeau Development Fund (CCDF) was established by The Métis Society of Saskatchewan Inc. subject to an agreement with the Government of Saskatchewan dated June 11, 1997. In September of 2001 an amendment to the Gaming Act recognized CCDF in legislation and a new Agreement between the province and the Métis Nation-Saskatchewan Secretariat Inc. was executed in December 2002.

The objective of the Fund is to stimulate economic development activities of Métis people and communities by providing equity for Métis businesses, support to community economic development initiatives and assistance for the development of the management skills of new and existing Métis business owners and entrepreneurs. The Fund derives its revenue subject to the agreement with the Government of Saskatchewan.

Mission Statement

The mission of the CCDF is to improve the economic circumstances of Saskatchewan Métis by providing funding for community business development initiatives, development of management skills and assistance to new and existing Métis business.

Goals and Objectives

The goals of the CCDF are as follows:

a) To ensure that Métis entrepreneurs acquire the management, administrative and marketing skills necessary for business success;
b) To increase employment opportunities for Métis persons;
c) To improve incomes for Métis persons.

Programs

1. LOAN/EQUITY CONTRIBUTION PROGRAM

This program is to assist Métis entrepreneurs by providing capital through interest free loans or equity that will enhance the applicants ability to leverage financing from other institutions and agencies.

CCDF can provide financial assistance of up to the lesser of $200,000 per project or 35% of the value of the fixed assets identified in the program costs.

Purpose:

- The purchase or start-up of a new business
- The purchase of an existing business
- Business expansion or renovation

Method of Investment:

- Re-payable contributions for a term not to exceed seven years
- Equity instruments as follows to be held for a maximum period of 10 years:
  - Common shares
  - Preferred shares
  - Convertible preferred shares, or
- Convertible debentures for a maximum period of 10 years

General Guidelines:

- Businesses funded under this program must be for-profit and demonstrate viability through a sound business plan;
- Applicants must contribute a minimum of 5% equity to the project. Projects deemed by the Fund to be higher risk will require larger equity contributions;
- Equity may be in the form of cash, machinery, equipment, real estate or other unencumbered fixed assets. Assets must be valued at fair market value by an independent appraiser.

2. COMMUNITY BUSINESS DEVELOPMENT PROGRAM

This program is intended to assist Métis community owned business development associations and corporations leverage capital to develop businesses that will result in the creation of wealth and jobs for Métis.

Under this program CCDF can provide a one time non-repayable contribution up to the lessor of $100,000 or 35% of the value of fixed assets as identified in the program costs. Should the business be sold or disposed of within three years of receiving a non-repayable contribution it will become repayable immediately.

As well CCDF can contribute up to the lesser of $200,000 or 35% of the value of the fixed assets as a repayable contribution, preferred shares, convertible preferred shares or convertible debentures.

Repayable contributions will be for a term not to exceed seven years while equity instruments will not exceed 10 years.

Note: Total funding from CCDF under this program will not exceed 50% of the value of the fixed assets.

Purpose:

- To start a new business
- To purchase an existing business
- To renovate or expand an existing business

Guidelines:

- Businesses funded under this program must be for-profit and demonstrate viability through a sound business plan;
- The community will be expected to demonstrate its commitment through an injection of reasonable equity.

3. LARGE SCALE OR JOINT VENTURE PROJECTS PROGRAM

Funding is available under this program for up to the lesser of $1,000,000 or 50% of the value of the total project costs. Minimum funding under this program will be $201,000. Projects funded under this program must be for-profit and commercially viable with total project costs in excess of $500,000. Priority will be given to, but not restricted to, higher-end value added projects.

Financial assistance will be in the form of:

- Common shares;
- Preferred shares;
- Convertible preferred shares;
- Convertible debentures;
- Mortgages;
- Units in a limited partnership or joint venture for a period negotiated and set out in the partnership or joint venture agreement.

4. DEVELOPMENT OF MANAGEMENT AND MARKETING SKILLS PROGRAM

This program supports training for new and existing Métis entrepreneurs to develop their management and marketing skills.

Guidelines:

- Applicants must provide an application that includes the purpose of the course as well as a course outline and a detailed budget;
- Applicants must demonstrate that they have approached other Métis educational funding agencies prior to applying to CCDF. CCDF does not intend to duplicate the services of other Métis Nation agencies or affiliates;
- Training must be through credible organizations that undertake to provide appropriate training;
- The training must be specific to business management and not technical training unrelated to the development of management and marketing skills;
- The maximum available under this program is 75% of the approved costs;
- CCDF funds only direct course costs such as tuition, workshop fees, and books. Living costs are not included;
- This funding is only for short courses (degree and post-graduate studies are excluded);
- CCDF can support the development of business related courses through Métis training institutions. In this case the institution must provide accurate budgets, complete details on the training including a course outline and a list of the individuals (full and part time) enrolling in the program and other information that may be required to evaluate the success of the training upon completion.

5. BUSINESS PLAN ASSISTANCE PROGRAM:

This program is intended to provide support to entrepreneurs who, in the opinion of the Fund, have a business concept that, through initial screening, provides excellent opportunity but requires a professional business plan in order to attract financing.

This program will allow entrepreneurs to engage the services of a professional consultant in order to undertake the quality of research and planning necessary to develop a business plan and attract financing.

Guidelines:

- The applicant will provide CCDF with an application for initial screening by the fund;
- The applicant must provide the name and qualifications of the consultant, a terms of reference and a quote of the costs agreed to;
- CCDF can consider funding up to 75% of the costs to a maximum of $10,000;
- This funding will not be repayable.

6. SUPPORT FOR AFTERCARE PROGRAM

This program is intended to provide professional support to new businesses in order to help improve the opportunity for success.

Guidelines:

- Funding under this program is intended to allow the business to engage the services of a professional consultant to examine the operations of the business in order to identify areas that may require special attention;
- The applicant must provide the name and qualifications of the consultant, a terms of reference and a quote of the costs agreed to;
- CCDF can consider funding up to 75% of the costs, to a maximum of $5,000 in each of the first two years of the business operation. Unused portions in any year will not be carried forward;
- Funding under this program is not repayable;
- Funding is not intended for the development of interim or annual financial statements.

General Guidelines for All Projects

Projects which are not eligible:

- Refinancing (some exceptions apply)
- Payment of dividends
- Cultural activities
- Social programs
- Political bodies for political process
- Residential real estate

All applicants will be required to enter into a contractual agreement with CCDF.

Cumulative Funding Approval Report

YEAR	TYPE	NUMBER	AMOUNT	JOBS	LEVERAGED $
1998	C/D	9	$ 177,109	-	$ 335,818
1999	C/D	19	$ 522,650	-	$ 603,980
2000	C/D	18	$ 468,300	-	$ 1,144,909
2001	C/D	19	$ 427,566	13	$ 615,317
2002	C/D	7	$ 302,467	12	$ 396,686
2003	C/D	3	$ 221,350	5	$ 159,920
2004	C/D	4	$ 332,190	7	$ 196,209
2005	C/D	2	$ 141,510	18	$ 497,090
2006	C/D	1	$ 36,000	6	$ 78,169
Total		**82**	**$ 2,629,142**	**61**	**$ 4,028,098**
1998	E	17	$ 419,908	39	$ 2,091,231
1999	E	49	$ 1,212,768	98	$ 4,076,152
2000	E	57	$ 739,593	85	$ 2,934,716
2001	E	49	$ 693,183	102	$ 2,412,600
2002	E	55	$ 838,816	90	$ 2,234,803
2003	E	31	$ 1,178,142	93	$ 3,016,812
2004	E	52	$ 2,119,784	162	$ 7,932,876
2005	E	32	$ 2,902,617	136	$ 6,755,007
2006	E	54	$ 2,711,629	144	$ 8,495,758
Total		**396**	**$12,816,440**	**949**	**$39,949,955**
2003	BP	28	$ 68,623	-	-
2004	BP	33	$ 83,289	-	-
2005	BP	25	$ 68,193	-	-
2006	BP	46	$ 130,353	-	-
Total		**132**	**$ 350,458**	-	-
2000	MSD	1	$ 100,000		$ 251,128
2003	MSD	4	$ 8,169		$ -
2004	MSD	-	$ -		$ -
2005	MSD	2	$ 5,029		$ -
2006	MSD	2	$ 11,829	$	$ -
Total		**9**	**$ 125,027**		**$ 251,128**
2004	**Other**	**1**	**$ 150,000**	**3**	**$ 75,000**
Cum Total		**620**	**$16,071,067**	**1013**	**$44,304,181**

C/D - Community Business Development Program
E - Loan Equity Contribution Program
MSD - Management and Marketing Skills Development Program
BP - Business Plans & Aftercare Programs
Other - MN-S Economic Development Department

Clarence Campeau Development Fund Payee List

For 2006

Personal Services		Goods and Services Suppliers	
Salaries/Honorariums ($ 2500 or more)		**($20,000 or more)**	
Roland Duplessis	$ 47,946.13	Booth Burnett	$ 25,660.00
Georgette Nicolas	$ 40,677.56	Great West Life	$ 20,484.66
Monica Brunet	$ 29,614.81	AGF	$ 25,051.52
Rebecca Krahn	$ 23,186.06	CCRA	$ 84,849.81
Steve Danners	$ 31,451.30	MOBO Enterprises	$ 21,107.60
Ron Rivard	$ 16,681.27	PGI Printers	$ 12,964.08
Kathy Palidwar	$ 4,113.51		
Philip Tinker	$ 5,725.28		
Kendall Nicolas	$ 3,300.00		
Individuals/Agencies ($ 5000 or more)			
Ramp Consulting	$ 46,637.25		
Ramona Orosz	$ 23,879.00		
Ernie Lawton	$ 16,901.25		
Gil Watson	$ 9,037.50		
Suncorp Valuations	$ 8,130.38		
Rosten Bergsma& Assoc.	$ 5,000.00		
Supreme Basics	$ 6,212.37		
Sasktel Mobility	$ 7,935.02		
Sasktel	$ 9,688.69		
Woloshyn & Co.	$ 9,325.26		
Deloitte	$ 18,005.16		

Auditors' Report

TO THE DIRECTORS OF
CLARENCE CAMPEAU DEVELOPMENT FUND

We have audited the statement of financial position of the Clarence Campeau Development Fund as at December 31, 2006 and the statements of revenue, expenditures and net assets and cash flows for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2006 and the results of its operations and of its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Saskatoon, Saskatchewan

February 28, 2007

CLARENCE CAMPEAU DEVELOPMENT FUND (OPERATING AS THE MÉTIS DEVELOPMENT FUND)

STATEMENT OF REVENUE, EXPENDITURES AND NET ASSETS

YEAR ENDED DECEMBER 31, 2006

	Budget	2006	2005
	(Unaudited)		
Revenues			
Government Funding	$ 2,000,000	$ 2,051,000	$ 2,000,000
Reimbursements from National Aboriginal Capital Corporation Association	-	1,312	7,020
Interest and investment income	378,480	427,623	311,812
Administration fees	10,000	17,504	10,077
	2,388,480	2,497,439	2,328,909
Operating expenditures			
Advertising and promotion	45,996	35,205	29,708
Amortization of capital assets	-	8,653	15,005
Bank charges	1,356	1,878	866
Consulting fees	40,000	1,277	4,767
Directors' expenses	72,600	54,806	58,965
Donations	40,000	750	3,450
Employee Travel	45,000	34,375	24,688
Office expenses	31,808	33,380	29,559
Professional fees	37,000	32,880	38,557
Rent	27,600	25,947	24,840
Salaries and benefits	306,000	304,342	246,110
Telephone	15,996	16,729	13,708
Training	6,000	2,019	2,935
	669,356	552,241	493,158
	1,719,124	1,945,198	1,835,751
Other expenditures			
Non-rapayable contributions to community projects	-	217,931	310,892
Defaulted contributions receivable (Note 4)	-	86,464	76,123
Additional provision for contributions receivable losses (Note 4)	-	165,404	181,640
	-	469,799	568,655
Excess of revenue over expenditures	1,719,124	1,475,399	1,267,096
Fund surplus, beginning of year	13,044,354	13,044,354	11,777,258
Fund surplus, end of year	$ 14,763,478	$ 14,519,753	$ 13,044,354

See accompanying notes

CLARENCE CAMPEAU DEVELOPMENT FUND (OPERATING AS THE METIS DEVELOPMENT FUND)

STATEMENT OF FINANCIAL POSITION

YEAR ENDED DECEMBER 31, 2006

	2006	2005
CURRENT ASSETS		
Cash	$ 1,018,697	$ 1,339,086
Short-term investments (Note 3)	5,244,320	2,097,573
Accounts receivable	144,539	53,474
Interest receivable	37,365	32,858
Current portion of contributions receivable (Note 4)	853,142	644,663
	7,298,063	4,167,654
LONG-TERM INVESTMENTS (Note 3)	2,605,655	5,169,933
CONTRIBUTIONS RECEIVABLE (Note 4)	5,137,332	4,019,006
CAPITAL ASSETS (Note 5)	29,914	35,277
	$ 15,070,964	$ 13,391,870
CURRENT LIABILITIES		
Accounts payable	$ 37,243	$ 6,016
Contributions payable	513,968	341,500
	551,211	347,516
NET ASSETS	14,519,753	13,044,354
	$ 15,070,964	$ 13,391,870

See accompanying notes

APPROVED BY THE BOARD:

..... **Director**

..... **Director**

CLARENCE CAMPEAU DEVELOPMENT FUND (OPERATING AS THE MÉTIS DEVELOPMENT FUND)

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2006

	2006	2005
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenue over expenditures	$ 1,475,399	$ 1,267,096
Items not affecting cash		
Amortization	8,653	15,005
Amoritization of bond premium	41,409	40,478
Defaulted contributions receivable (Note 4)	86,464	76,123
Additional provision for contributions receivable losses (Note 4)	165,404	181,640
Net change in non-cash working capital items relating to operations (Note 7)	108,123	82,911
	1,885,452	1,663,253
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Contribution receipts	171,329	277,635
Contribution payments advanced	(1,763,547)	(2,362,925)
Purchase of capital assets	(3,289)	(13,096)
Mortgage payments received	13,544	22,349
Mortgage payments advanced	(363,000)	-
Sale (purchase) of long-term investments	2,885,869	3,385,890
	940,906	5,461,927
INCREASE (DECREASE) IN CASH DURING THE YEAR	2,826,358	(3,798,674)
CASH POSITION, BEGINNING OF YEAR	3,436,659	7,235,333
CASH POSITION, END OF YEAR	$ 6,263,017	$ 3,436,659
Cash, for purpose of the statement of cash flows, consists of:		
Cash	$ 1,018,697	$ 1,339,086
Short-term investments	5,244,320	2,097,573
	$ 6,263,017	$ 3,436,659

See accompanying notes

1. NATURE OF THE FUND

The Clarence Campeau Development Fund (the "Fund") was established by The Métis Society of Saskatchewan Inc. ("Métis Nation") pursuant to an agreement with the Government of Saskatchewan (Economic & Co-operative Development) dated June 11, 1997. Effective November 9, 2001, the Minister of Aboriginal Affairs designated the Fund as the Métis Development Fund pursuant to the Saskatchewan Gaming Corporation Act. A new agreement between the province and the Métis Nation-Saskatchewan Secretariat Inc. was executed in December 2002 and the Fund is governed in accordance with that agreement.

The objective of the Fund is to stimulate economic development activities of Métis people and communities by providing equity for Métis businesses, supporting community economic development initiatives and developing management skills of new and existing Métis business owners and entrepreneurs. To achieve this, the Fund makes repayable contributions to qualifying projects and both repayable contributions and non-repayable contributions to community projects.

The term of the repayable contributions by the Fund is up to seven years. Equity instruments and convertible debentures can be held by the Fund for a maximum period of ten years. Contributions are targeted to commercially viable, market-based projects, primarily in value-added sectors of the economy such as forestry, mining, tourism and information technology with specific contribution criteria approved by the Board. The Board may enter into agreements with other contributing entities and appropriate business support agencies. Each single project is subject to a maximum of the lesser of 35% of the value of the fixed assets identified in the project costs or $200,000. Funding is available for large scale or joint venture projects for up to the lesser of $1,000,000 or 50% of the value of the fixed assets identified in the project.

Under the Community Development Business Program, the Fund can provide a one time non-repayable contribution up to the lesser of $100,000 or 35% of the value of the fixed assets identified in the project costs. Should the business be sold or disposed of within three years of receiving a non-repayable contribution, it will become repayable immediately. Under the Development of Management and Marketing Skills Program, the Fund can provide contributions up to 75% of approved training costs. Under the Business Plan Assistance Program, the Fund can provide contributions up to 75% of the costs to a maximum of $10,000. Under the Support for Aftercare Program, the Fund can provide contributions up to 75% of the costs, to a maximum of $5,000 in each of the first two years of the business operation. Unused portions in any year will not be carried forward.

The Fund derives its revenue pursuant to the *Saskatchewan Gaming Corporation Act*. In 2006 the Fund received $2,000,000 from the Department of First Nations and Métis Relations (2005 - $2,000,000). In addition, $51,000 (2005 - $0) was received from Department of First Nations and Métis Relations for providing assessments of Métis grant proposals.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Use of Estimates
The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses at year end. Actual results could differ from those estimates.

Cash and Investments
Cash and investments consist of cash on hand, balances with banks, and short-term investments in money market instruments and bankers acceptances.

Short-term investments are recorded at the lower of cost or market value. Long-term investments are recorded at cost less any amounts written off to reflect permanent declines in value.

Capital Assets and Amortization
Capital assets are recorded at cost. Normal repair and maintenance costs are expensed as incurred. Amortization is recorded in the accounts on the diminishing balance basis as follows:

Office furniture	20%
Computer equipment	30%
Computer software	100%

Revenue Recognition
Revenue received or receivable pursuant to the agreement with the Government of Saskatchewan is recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and interest income is recognized as revenue when earned.

Contributions
Contributions under $25,000 are recorded when the Fund Manager has approved the payment and all conditions are met by the applicant. Contributions over $25,000 and less than $50,000 are recorded when the Audit and Finance Committee of the Board has approved the payment and all conditions are met by the applicant. Contributions over $50,000 are recorded when the Board has approved the payment and all conditions are met by the applicant.

Financial Instruments
The fair market value of cash, accounts receivable, interest receivable and accounts payable approximate their carrying values due to the short term maturity of these items. Management does not believe that the Fund is exposed to significant interest, currency or credit risks as a result of these instruments.

3. INVESTMENTS

Short-term investments consist of the following:

	2006	2005
Bankers Acceptance	$ 2,332,519	$ 2,004,990
Bank of Nova Scotia Deposit Note	2,911,748	-
Money Market Funds	-	*92,410*
Cash Balance in investment account	53	173
	$ 5,244,320	$ 2,097,573

The Bankers Acceptance is due on February 28, 2007 (annual yield – 4.086%). There is a discount of $15,481 which is being amortized over the term of the Bankers Acceptance. Short-term investments also consist of a 3.722% Bank of Nova Scotia Deposit Note with par value of $2,869,000 maturing on November 7, 2007. The market value of the short-term investments at December 31, 2006 is $5,235,860 (2005 - $2,094,419).

Long-term investments consist of a $286,000, 4% annual interest payments, five-year first mortgage against land and building owned by Provincial Métis Holdco Inc, due July 1, 2007. The fair market value of this land and building at December 31, 2006 is $710,000 (2005 - $710,000).

Long-term investments also consist of a $250,000 fifteen-year first mortgage against land and building owned by Dumont Technical Institute, due December 1, 2018; the balance at December 31, 2006 is $206,600 (2005 - $219,016). Interest is renewed annually on December 1st at an interest rate of 2% over the lowest bankers acceptance rate for the Bank of Nova Scotia at that date. As the interest rate is revalued every year, the fair value of the mortgage approximates the carrying value. The fair market value of this land and building at December 31, 2006 is $640,000 (2005 - $640,000).

Long-term investments also consist of a $363,000 ten-year first mortgage against land and building owned by 625865 Saskatchewan Ltd, due November 1, 2016; the balance at December 31, 2006 is $361,875. For the first five years of the loan the interest rate will be 6.15% per annum, calculated monthly, and for the last five years of the loan at the rate of 2% over the Province of Saskatchewan five-year bond rate at November 1, 2011. Interest is comparable to market rates for the first five years and after this is revalued every year, therefore, the fair value of the mortgage approximates the carrying value. The fair market value of this land and building at December 31, 2006 is $545,000.

Long term investments also consist of a 5 year, 6.5% Province of Saskatchewan bond with par value of $1,167,000 (2005 - $1,167,000) maturing on November 12, 2009. There is a premium of $83,283 which is being amortized over the term of the bond. The fair market value of this bond at December 31, 2006 is $1,240,918 (2005 - $1,268,599).

Long term investments also consist of a 4.515% Deposit Note with par value of $473,000 maturing November 19, 2008. There is a premium of $23,483 which is being amortized over the term of the note. The fair market value of the note at December 31, 2006 is $474,831 (2005 - $477,470).

4. CONTRIBUTIONS RECEIVABLE

Contributions receivable are amounts distributed to qualified projects to provide funding. Contributions are either interest free loans or equity investments. Interest-free loans are repayable to the Fund over a maximum term of seven years. The maximum term for equity instruments is ten years and usually involves the payment of regular dividends which are included in interest and investment income in the Statement of Revenue, Expenditures and Net Assets. The dividend rate is determined based on the current bankers acceptance rate plus 2%. These equity instruments are convertible to debt at the option of the Fund after a period equal to half the term of the instrument.

All contributions in arrears are handled on a case-by-case basis and are written-off after all reasonable restructuring/collection activities have taken place and the possibility of further recovery is considered to be remote.

A contribution is classified as non-performing when management has determined that there is a reasonable doubt as to the ultimate collectibility of principal. The provision for defaulted contributions receivable consists of specific items established on a case-by-case basis and a general provision of 10% of the outstanding contributions receivable.

The Fund evaluates each client's creditworthiness on a case-by-case basis. The Fund contracts project assessment and project follow up and evaluation services from other qualified institutions or businesses, where necessary. All applicants are required to enter into a contractual agreement with the Fund. Further, the Fund is required to ensure Métis ancestry when granting an equity contribution.

Contributions receivable are principally the financial instruments which potentially subject the Fund to concentrations of credit risk. Management is not aware of any concentrations of contributions to classes of borrowers or industries that would be similarly affected by economic conditions. Although the Fund's contributions portfolio is diversified, a substantial portion of its borrowers' ability to honour the terms of their loans is dependent on business and economic conditions in Saskatchewan.

Contributions receivable consist of the following:

	2006	2005
Contributions receivable	$ 6,774,626	$ 5,272,077
Less provision for defaulted contributions		
Specific items	(86,464)	(76,123)
General provision	(697,688)	(532,285)
	5,990,474	4,663,669
Less current portion	(853,142)	(644,663)
Long-term contributions receivable	$ 5,137,332	$ 4,019,006

The fair value of contributions receivable is not readily determinable as there is no market for the contributions receivable and it is management's intention to hold these receivables to maturity.

5. CAPITAL ASSETS

	2006			2005
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Office furniture	$ 59,851	$ 36,516	$ 23,335	$ 25,878
Computer equipment	37,896	31,317	6,579	9,399
Computer software	11,737	11,737	-	-
	$ 109,484	$ 79,570	$ 29,914	$ 35,277

6. RELATED PARTY TRANSACTIONS

Transactions with related parties are measured at the exchange amount which is the consideration established and agreed to by the related parties.

During the year, the Fund paid $0 (2005 - $6,025) to the Dumont Technical Institute, the educational arm of the Métis Nation.

During the year, the Fund paid $1,830 (2005 - $0) to the Nipawin Local and Northern Greens Resort a company owned by one of the Fund's board members. Payment related to a board and staff retreat held at Northern Greens Resort.

The Board allows its members to apply for contributions for qualifying projects. During the year, the Board did not approve any new contributions for these projects. At December 31, 2006, outstanding contributions receivable from board members amounted to $0 (2005 - $8,370).

7. NET CHANGE IN NON-CASH WORKING CAPITAL

Details of net changes in each element of non-cash working capital relating to operations are as follows:

	2006	2005
(Increase) in current assets		
Accounts receivable	$ (91,065)	$ (18,842)
Interest receivable	(4,507)	(12,281)
	(95,572)	(31,123)
Increase (decrease) in current liabilities		
Accounts payable	31,227	(1,401)
Contributions payable	172,468	115,435
	203,695	114,034
	$ 108,123	$ 82,911

Testimonials

Nurture Your Nature!
Boutique Be You Te Ful
Organic Products and 'Edu-tainment' Events for Beauty, Wellness and Peace of Mind

Many thanks to the Clarence Campeau Development Fund for sharing in our vision and supporting our quest to provide healthy alternatives in the beauty industry. We continue to build our business on the 'seeds of success' provided to us by CCDF!

Terry Wasylow
Boutique BeYouTeFul ❙ Saskatoon, SK

MDeez Confectionary & Gas Bar Ltd.

We would like to take this opportunity to thank Clarence Campeau Development Fund for the financial support and business advice received which allowed us to begin our dream of becoming entrepreneurs. CCDF has proven to be a great help and we would like to express our appreciation for all they have done for us.
It has been a very busy and exciting time here at MDeez Confectionary. We are enjoying the challenges faced in owing a business. We would highly recommend Clarence Campeau Development Fund to other individuals seeking financial assistance.

Darryl & Maggie Natomagan
MDeez Confectionary & Gas Bar Ltd. ❙ Beauval, SK

TITAN CRANE

On behalf of Kevin and myself, we would like to express out gratitude to the staff and management at CCDF for the assistance in enabling us to move forward in our expansion plans last year. Their ongoing support and advice was truly beneficial in aiding us to meet this goal.
Thank you Clarence Campeau Development Fund!

Dean Askwith & Kevin Grunow
Titan Crane ❙ Saskatoon, SK

Lake Country Trading Post

We would like to thank Clarence Campeau Development Corporation, the board and staff for providing us the support we needed to purchase our business, Lake Country Trading Post. This is our second year of operation. We have a 6000 sq. ft. log building which contains a gas bar, grocery store, bakery, coffee shop, hardware, giftware, movie rentals, ice cream and clothing. We are located at Emma Lake across the highway from the golf course. We are open from May long weekend to Sept. long.

Ron Bergen & Brad Bergen
Lake Country Trading Post ❙ Emma Lake, SK

With the lease on our building about to expire we needed to find a space to house our office, maintenance shop and warehousing. Support from CCDF allowed us to purchase a building that met our needs. We would like to thank CCDF especially the staff for their help and generous contribution. It has allowed us to establish a solid foundation for our trucking business.

Darin Fisher & Reg Fisher
Daringer Transport Ltd. ❙ Regina, SK

FASTBACK
TRANSPORT
Ltd.

Fastback Transport Ltd. is a transportation firm which offers light to medium duty hotshot trucking services and a complete trailer relocation service. Thanks to the Clarence Campeau Development Fund, we have been in operation since May of 2006.
Fastback Transport maintains an excellent safety rating and offers 24-7 service including a full relocation and transfer service for parts, equipment, supplies, well site trailers, coiled tubing reels, pipe, RV travel trailers, fifth wheel trailers and much more.
Thank you again CCDF for all your help!

Chris & Kim Quam
Fastback Transport Ltd. ❙ Saskatoon, SK

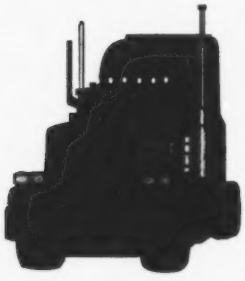
RaMar Backgrounders Inc.

We would like to thank Clarence Campeau Development Fund for giving us the opportunity to provide us with funding to expand the operation of our feedlot. With out their financial assisstance it would not have been possible. We appreciate their services in making this possible.

Bev & Ray Parent
RaMar Backgrounders Inc. | Hoey, SK

We "discovered" the team over at the Clarence Campeau Development Fund back in 2004, and since then have used their services on several occasions. In our case, at Champêtre County we created a whole new market niche, so regular funding sources had no "industry" to compare us to and were leery of funding our dream. The folks at CCDF are able to think outside the box and with their help, our dream is becoming a reality! Thanks!!!

Arthur & Therese Denis
Champêtre County | St. Denis, SK



Jim Bremner Trucking

We would like to thank the Clarence Campeau Development Fund for their team effort in making our new venture in trucking possible. It's been a pleasure to deal with such a friendly staff.

Jim & Lynne Bremner
Jim Bremner Trucking | Hoey, SK

Northeast Service Ltd.

Our community asked, so we delivered a competitive grocery store. The guidance, direction and loan from the Clarence Campeau Development Fund gave us the confidence to fulfill our customers' requests. Our sincere appreciation is extended to the CCDF. Their experience in building a business is still making our expansion a success with suggestions during their follow-up support.

Larry & Tracy Myhr
Northeast Service Ltd. | Hudson Bay, SK

GHC Holdings Ltd.

In 2006, Gabriel Housing Corporation celebrated its 25th Anniversary, in recognition of providing affordable housing to the aboriginal community in Regina.

As an economic venture for the benefit of the Métis membership, an affiliate company "GHC Holdings Ltd." was incorporated in 1994.

In past years the holding company had been limited to the kind of work it could undertake due to the lack of adequate equipment and an unskilled workforce. To assist in alleviating this problem, the Clarence Campeau Development Fund provided GHC Holdings Ltd. with a grant contribution of $41,510 toward the purchase of heavy equipment and tools.

This financial contribution from CCDF for the equipment has allowed the Holding Company to acquire more private contract work and provide specialized training to the staff. The CCDF contribution will also provide some sustainability to the Corporation.

Since the time of the CCDF contribution, the Corporation has employed 14 full and part time staff. The employees consisted of 7 Métis, 5 First Nations and 2 Non Aboriginal. One of the Métis employees was a female carpenter.

On behalf of our Corporations, the Board of Directors and staff wish to express our appreciation to the Clarence Campeau Development Fund for their financial contribution, continued support to Métis business and assisting us to be successful.

Board of Directors and Staff
Gabriel Housing Corporation ❙ GHC Holdings Ltd. ❙ Regina, SK

I was very impressed with the great service CCDF provided to me during my business expansion. Their support enabled me to grow my business; putting me in a much better competitive position in the bicycle industry.
CCDF provided information, expertise and funding that I needed to put my business' name on the map - worldwide! Thank you!

Sam McKay
Firebikes ❙ Lumsden, SK

Board of Directors

Ron Rivard - Vice Chairman of the Board
Businessman
Saskatoon, Saskatchewan

Philip Tinker - North
Businessman
Pinehouse, Saskatchewan

Mark La Rocque - Ex-Officio
Acting Director
Strategic Planning & Policy
First Nations & Métis Relations
Regina, Saskatchewan

Kathy Palidwar - Member-at-Large
Businesswoman
Nipawin, Saskatchewan

Hal Sanders - Ex-Officio
Saskatchewan Industry & Resources
Regina, Saskatchewan

Geordy McCaffrey - Ex-Officio
Executive Director of Gabriel Dumont Institute
Saskatoon, Saskatchewan

Greg Fofonoff - Ex-Officio
CEO - SaskNative Economic Development Corporation
Saskatoon, Saskatchewan

CCDF Staff

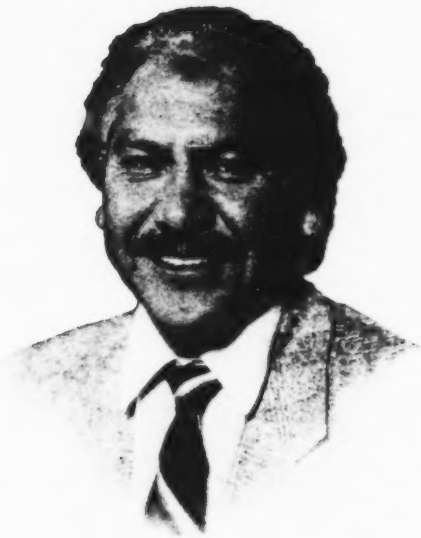
Roland Duplessis
Fund Manager

Monica Brunet
Business Development Officer

Georgette Nicolas
Senior Business Development Officer

Rebecca Krahn
Office Manager

Steve Danners
Business Development Officer

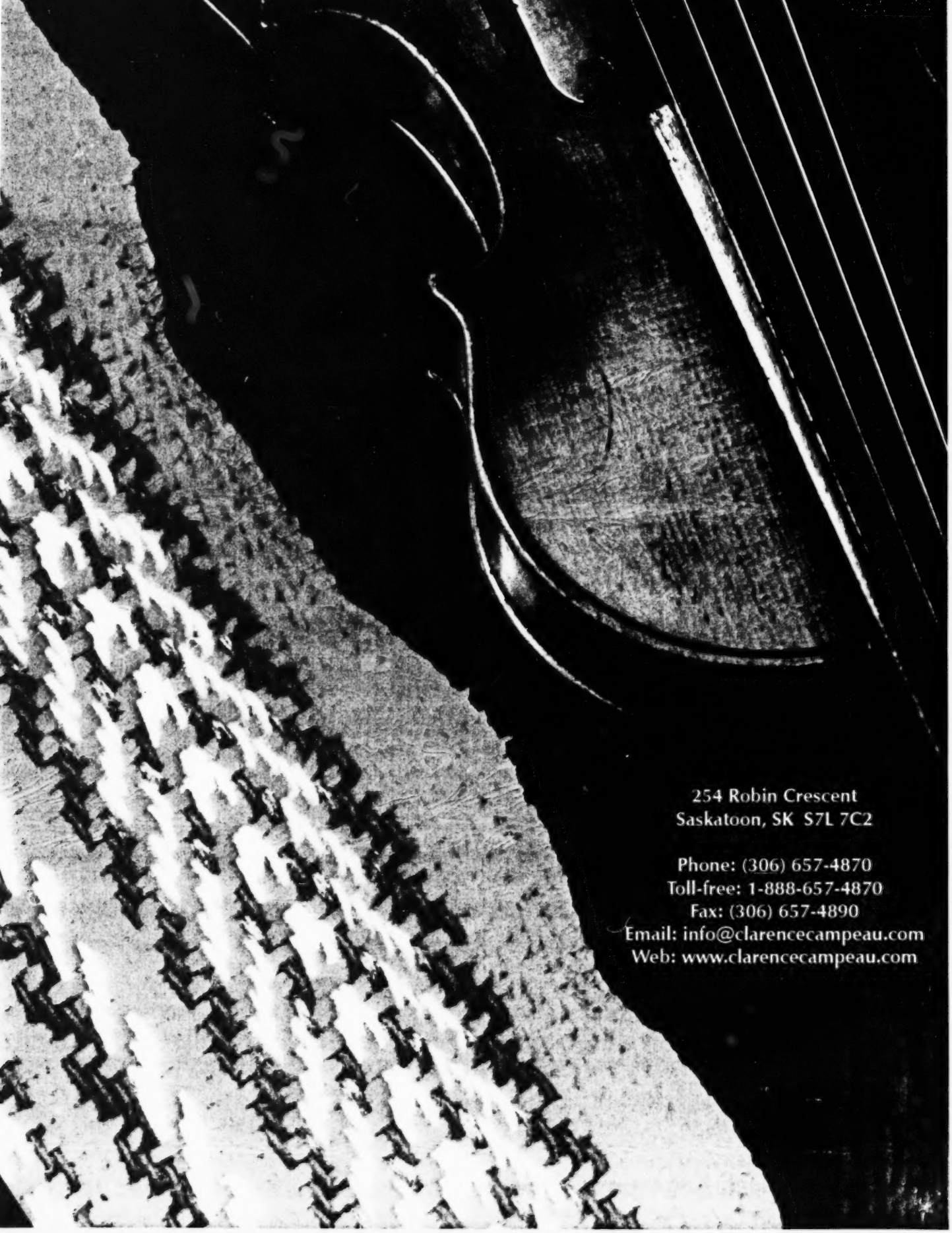


Clarence Campeau Development Fund

"Serving Saskatchewan's Metis"

The Clarence Campeau Development Fund (CCDF) is named after the late Clarence Campeau, Métis political leader and promoter of Métis self-sufficiency through business and economic development activities.

The CCDF is designed to provide financial assistance to Métis individuals and Métis communities in Saskatchewan for economic and small business development activities.



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